

U. S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPENDIX TO FORM CCC-1200
ENVIRONMENTAL QUALITY INCENTIVES PROGRAM CONTRACT

1 ELIGIBILITY REQUIREMENTS FOR ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)

- A** By signing the EQIP contract, the participant certifies that such participant will control the land subject to the contract for the terms of the contract period and shall, upon demand, provide evidence to CCC demonstrating that such participant will control the land for that period.
- B** A participant shall not be eligible for cost-share or incentive payments on practices on eligible land if the participant receives or has received cost-share payments or other benefits for the same practice on the land under the Conservation Reserve Program (7 CFR part 1410), Wetlands Reserve Program (7 CFR parts 703, 620, or 1467) or Environmental Quality Incentives Program (7 CFR part 1466).
- C** Land otherwise eligible for the EQIP shall not be eligible if the land is subject to a deed or other restriction prohibiting the application of the conservation plan and associated practices or where a benefit has or will be obtained from a Federal agency in return for the participant's agreement not to implement the conservation plan and associated practices on the land during the same time as the land would be enrolled in the EQIP. By applying for the EQIP contract, the participant certifies as a condition for payment that no such restrictions apply to the subject land.

2 SELECTING OFFERS FROM PRODUCERS

All applications will be evaluated using a selection process developed locally by the State Conservationist or Designated Conservationist, with advice from the State Technical Committee or Local Work Group.

3 AGREEMENT

- A** The participant agrees:
 - (1) That the CCC-1200 (EQIP contract) and its addenda shall be considered a request to enter into the Environmental Quality Incentives Program on the terms specified on CCC-1200 and its addenda;
 - (2) To place eligible land into the EQIP for a period of time as specified on the CCC-1200 (not less than one year after the last practice is installed and not to exceed 10 years), from the date the contract is executed by CCC;

- (3) Not to start any financially assisted practice or engage the reimbursed services of a certified Technical Service Provider before the contract is executed by CCC. The participant may be granted a waiver, in writing, to this requirement by the NRCS State Conservationist or designee;
- (4) To apply or commence a financially assisted practice within the first 12 months from the date of the contract executed by NRCS. The participant may request, in writing, a waiver to this requirement from the NRCS State Conservationist;
- (5) To establish conservation practices specified in this contract as scheduled and to operate and maintain the practices for the service life identified in this contract and to comply with the terms and conditions of the EQIP contract and all Federal, State, Tribal and local laws that apply to the plan content;
- (6) Not to undertake any action on land under the participant's control which tends to defeat the purposes of the EQIP program, as determined by CCC;
- (7) To discontinue work in the general area of the site and notify NRCS immediately if during the construction of any practice a previously unidentified archeological or historical site is encountered;
- (8) To provide receipts, as necessary, as proof of payments and to maintain proof of payment documentation, if applicable, for 3 years after the end of the fiscal year in which the practice was completed and to present this documentation to CCC within 30 days if selected for administrative compliance check;
- (9) To allow access to the land under contract to a CCC representative for monitoring progress of the contract; and
- (10) To develop and implement all practices identified in a comprehensive nutrient management plan for contracts that include a waste storage or treatment facility, or
- (11) For contracts funded under 16 USC 3839aa-9, Surface and Ground Water Conservation, to implement a program of conservation measures that will result in a net savings, as defined by the State Conservationist, of ground and surface water resources in the agricultural operation of the producer.

B CCC agrees, subject to the availability of funds, to:

- (1) Share the cost with participants of establishing an eligible practice, or an identified unit thereof, agreed to in the contract;

- (2) Pay to the participant an interest penalty on cost-share and incentive payments not made by the date, as determined by CCC, the payment is due.

4 ENVIRONMENTAL QUALITY INCENTIVE PLAN OF OPERATIONS

By signing the EQIP contract, the participant agrees to implement the practices specified in said contract on the land specified.

5 PAYMENTS

- A** Subject to the availability of funds, CCC will make cost-share and incentive payments at the rates specified in this contract after a determination by CCC that an eligible practice has been established in compliance with the EQIP plan of operations and in accordance with appropriate standards and specifications. In order to receive payments, the participant, upon technical certification of the completed practice, must file with CCC a form CCC-1245 along with any receipts, as necessary.
- B** In order to be reimbursed for technical services approved under this agreement and performed by a certified Technical Service Provider ("TSP") hired by the participant, a participant must execute a request for payment in the form of a Practice Approval And Payment Application form, CCC-1245. The participant must also submit to NRCS an invoice from the TSP for the work performed as well as any documentation NRCS may require in order to ensure that the technical services were carried out in accordance with NRCS requirements and specifications.

It is the participant's responsibility to ensure that the technical services obtained from a TSP hired by the participant meet program requirements. NRCS will not reimburse the participant if the technical services provided by the TSP do not meet EQIP requirements. If NRCS terminates this agreement as provided under section 10 of this appendix, NRCS may seek reimbursement of any TSP payments made to the participant.

- C** All payments received as part of an EQIP contract are reported to the US Internal Revenue Service on form 1099-G. For information related to tax liabilities consult with a tax accountant or refer to IRS publication 225, Farmers Tax Guide.

6 PROVISIONS RELATING TO TENANTS AND LANDLORDS

Notwithstanding Paragraph 13, no payment will be approved for the current year if CCC determines that any of the following conditions exist:

- A** The landlord or operator has not given the tenants that have an interest in the unit of concern covered by the conservation plan, or that have a lease that runs through the CCC-1200 period at the time of sign up, an opportunity to participate in the benefits of the program;
- B** The landlord or operator has adopted any other scheme or device for the purpose of depriving any tenant of any benefits to which such tenant would otherwise be entitled. If any such

conditions occur or are discovered after payments have been made, all or any part of the payments, as determined by CCC, must be refunded with interest and no further payments shall be made.

7 ERRONEOUS REPRESENTATION AND SCHEME AND DEVICE

- A** A participant who is determined to have erroneously represented any fact affecting a determination with respect to this contract and the regulations applicable to this contract, adopted any scheme or device which tends to defeat the purposes of this contract, or made any fraudulent representation with respect to this contract, will not be entitled to payments or any other benefits made under this contract. The participant must refund to CCC all payments received - plus interest and recovery of CCC costs.
- B** CCC will charge interest on monies it determines to be due and owing to CCC under this contract from the date such monies were originally disbursed. The interest rate will be determined using the current value of funds rate, published annually in the Federal Register by the United States Department of Treasury.
- C** The provisions of paragraph 7A of this Appendix shall be applicable in addition to any other criminal and civil fraud statutes.

8 CHANGES TO TERMS AND CONDITIONS OF THE CONTRACT

- A** CCC agrees that if any changes of any terms and conditions of this contract become necessary prior to the date that this contract is approved on behalf of CCC, CCC will notify, in writing, the persons signing the CCC-1200 of such change and such person will be given 10 days from the date of notification in which to agree to the revised terms and conditions or to withdraw from the contract request. The participant agrees to notify, in writing, the CCC of an intention to withdraw from the contract request within 10 days from the date of the issuance of such notice and further agrees that failure to notify the CCC will constitute agreement to the revised terms and conditions.
- B** This contract may be modified when:
 - (1) The installed measure has deteriorated because of conditions beyond the control of the participants;
 - (2) Another practice will achieve at least the same level of environmental benefits, or
 - (3) It is necessary to add funds to the contract for the participant to reimburse technical assistance provided by a TSP.
 - (4) Both the participant and the appropriate approving authority (Regional Conservationist, State Conservationist or Designated Conservationist) agree to this modification.
- C** CCC may modify this contract when:

- (1) The installed practice would cause adverse impacts to significant cultural and/or environmental resources discovered as a result of installation;

9 CORRECTIONS

CCC reserves the right to correct all errors in entering data or the results of computations in the contract.

10 TERMINATION OF CONTRACT

If a participant fails to carry out the terms and conditions of this contract, CCC may terminate this contract or determine that such failure does not warrant termination. In either case, CCC may require the participant(s) to refund, with interest, payments received under this contract, or require the participant(s) to accept such adjustments in the subsequent payments as are determined to be appropriate by CCC.

Repayments determined by NRCS to be due and owing to NRCS under this provision will accrue interest at the current value of funds rate, published annually in the Federal Register by the United States Department of Treasury, from the date originally disbursed to participant up to the day the repayment is received by NRCS.

The CCC may terminate the EQIP contract, in whole or in part, without liability, if CCC determines that continued operation of the contract will result in the violation of a Federal statute or regulation, or if CCC determines that termination would be in the public interest.

11 RECOVERY OF COST

In the event the participant violates the terms of this EQIP contract or this contract is terminated with just cause by CCC, the CCC will incur substantial costs in administering this contract which may not be possible to quantify with certainty. Therefore, in addition to the refund of payments received plus interest due as set forth in paragraph 10, the participant agrees to pay an amount equal to 20 percent of the total financial and technical assistance obligated to the participant in the EQIP contract, form CCC-1200 at the time of termination. This payment is for recovery of administrative costs and technical services, and is not a penalty.

12 EFFECTIVE DATE-

The EQIP contract is effective when signed by the participants and an authorized representative of CCC. Except as otherwise provided for herein, the contract may not be terminated or modified unless by mutual agreement between the parties. Within the dates established by CCC, the contract must be signed by all required participants.

In the event that a statute is enacted during the period of this contract which would materially change the terms and conditions of this contract, the CCC may require the participants to elect between acceptance of modifications in this contract consistent with the provisions of such statute or termination of this contract.

13 GENERAL TERMS

- A** The regulations in 7 CFR Part 1466 for the EQIP are incorporated, by reference, herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.
- B** The EQIP contract shall be carried out in accordance with all applicable Federal statutes and regulations, included but not limited to the National Environmental Policy Act, the Endangered Species Act, National Historic Preservation Act, and the regulations of the Secretary of Agriculture found at 7 CFR Part 15, Subparts A & B. The CCC may, without incurring liability for breach of the contract, terminate the EQIP contract, in whole or in part, if CCC determines that continued operation of the contract will result in the violation of a Federal statute or regulation, or if CCC determines that termination would be in the public interest.
- C** By signing the EQIP contract, the participant certifies that he/she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while conducting any activity associated with the EQIP contract. This certification is a material representation of fact upon which reliance was placed when CCC determined to award this EQIP contract. If it is later determined that the participant knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.; 7 CFR part 3017, Subpart F, Section 3017.600) CCC, in addition to any other remedies available to the United States, may take action authorized under the Drug-Free Workplace Act.
- D** Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions (7 CFR 3017)
 - (1) The participant certifies to the best of its knowledge and belief, that the participant and his or her principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not within the three-year period preceding this agreement had a criminal conviction or civil judgment rendered against them for commission of fraud in connection with obtaining, attempting to obtain, or performing a public (federal, state or local government) contract, including violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses listed in paragraph A(2) of this certification; and

- (d) Have not within the three-year period preceding this agreement had one or more public contracts (federal, state or local) terminated for cause or default.
- (2) If the participant is unable to certify to any of the statements in Section A, the participant shall attach an explanation to this agreement.

14 APPEAL RIGHTS

Participant(s) may appeal an adverse decision under this contract to the appeal procedures set forth at 7 CFR parts 614, 11, and/or 780 or any successor provisions. Pending the resolution of an appeal, no payments shall be made under this agreement.

15 EXAMINATION OF RECORDS

Participant(s) agree to give the CCC or the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to this agreement. Participant(s) agree to retain all records related to this agreement for a period of three years after completion of the terms of this agreement in accordance with the applicable OMB circular.

16 DRUG-FREE WORKPLACE (7 CFR 3017)

By signing this agreement, the participant is providing the certification, as appropriate, set forth below. If it is later determined that the participant knowingly rendered a false certification, or otherwise violated the requirements of the Drug-Free Workplace Act, the NRCS may take action authorized under the Drug-Free Workplace Act, in addition to any other remedies available to the United States.

17 CERTIFICATION REGARDING LOBBYING (7 CFR 3018) (Applicable if this agreement exceeds \$100,000)

- A. The participant certifies, to the best of his or her knowledge and belief, that:
 - (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the participant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal contract, grant, loan, or cooperative

agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- (3) The participant shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The following owners, operators, and producers by entering their signature acknowledge receipt of this Appendix to CCC-1200 and agree to the terms and conditions thereof. Further, if the undersigned are succeeding to an existing EQIP contract, the undersigned agree and certify that no agreement exists or will be entered into between the undersigned, the previous owner and operator of the property, or mortgage holder that would, maintain or create an interest in the property in any previous participant on the EQIP contract for that property, or to receive payments under the contracts.

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